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(3)
April 18, 1978

TO: CITY COUNCIL
FROM: NORMAN R. KING, CITY MANAGER
SUBJECT: PROPOSITION 13 CONTINGENCY PLAN: ALTERNATE PROGRAM/
SERVICE REDUCTIONS

Attached is a compilation of information and data concerning possible reductions in city programs and services and some revenue increases which must be considered for possible implementation if proposition 13 is approved on June 6. As indicated previously, we anticipate that the city will lose approximately \$1.1 million to \$1.3 million (assume \$1.2 million for working purposes). This represents a 23 percent reduction in the total city budget. However, the \$1.2 million represents a more than 42 percent reduction of programs and services which are directly affected by proposition 13. These programs (which include police, human services, park maintenance, street lighting, street maintenance, etc.) are summarized in the following pages.

Any combination of program reductions or revenue increases totaling \$1.2 million is the suggested tentative target. I would recommend that council make tentative decisions regarding such changes no later than May 9 so that affected employees can begin to plan ahead and so that the Claremont citizenry can have a better idea of the potential effects of proposition 13.

In reviewing these figures, the following comments should be kept in mind:

1. The following figures attempt to designate cutbacks which may be necessary to implement the \$1.2 threshold reduction on an ongoing basis. As such, they exclude consideration of:
 - a. "Tail" expenditures (operating expenditures which are incurred in 1977-78 but for which payment will not be assessed until next fiscal year. Examples include electrical and utility charges, building inspection contract fees, etc. In addition, there will be other costs of "winding down" such as paying for accumulated vacation time upon termination.)
 - b. Expenditures necessary to carry terminated employees past July 1 in order to provide such employees with more time to seek alternative employment and more time for the city to see if the state legislature will provide some assistance to offset the effects of proposition 13. As mentioned previously, I will be recommending that a portion of the one-time year end balances for 1977-78 be allocated to such tail and transition expenditures. A memorandum detailing such expenditures will be distributed at a later date.

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2. The following figures are based upon the adopted 1977-78 budget. As such, these figures will have to be updated after the proposed 1978-79 budget has been submitted in late May.
3. The following figures represent our best estimate of the costs of possible service and program activity reductions. However, necessarily a great many assumptions about the allocation of various costs have been made. Furthermore, assumptions have been made regarding the probable expenditure effect of reducing the level of services, many of which will not be fully documented until actually experienced.

The possible cutbacks should be viewed as a "place to begin discussion," not as recommendations. In some cases we have shown the cost reduction which could be achieved by reducing a program by a specific percentage (such as 50 percent reduction). The city council may wish to either increase or decrease the extent of these cutbacks. Hopefully the information shown will help the council more easily calculate the reduced costs of such changes.

Given all the uncertainties about the effects of proposition 13 it will be impossible for the council to make a final and precise decision regarding potential cutbacks at this time. However, I hope that it will be possible for the council to arrive at some basic consensus prior to June 6 so that if proposition 13 passes we can more quickly refine the analysis and so that the council may make decisions quickly during the rest of June. Hopefully, with the information provided in this memorandum the council may achieve something like an "80 percent" accuracy factor.

4. One major complication in reviewing these figures is that in some cases service reductions in other departments are dependent upon the level of cutbacks elsewhere. This is particularly true in regard to the maintenance of recreation and building facilities and it will be important to clarify these cross-departmental effects.
5. As will be noted, we have attempted to portray an increased allocation of ongoing administrative and overhead expenditures to various programs (often grant funded) not affected by the Jarvis initiative. As the council is aware, the city has in the past been much more cautious than many governmental agencies in assigning these costs to special-funded programs and it is fair to say that many non-general fund programs have not borne the full cost of administrative support. It is suggested that

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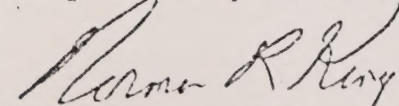
this practice be substantially revised if proposition 13 is adopted. This would have the effect of shifting costs to non-general fund programs, thereby somewhat reducing revenues available for these programs.

6. Where possible, the attached material focuses on reductions in programs and services and states the costs thereof. Once these cutbacks have been determined, the total effect on the number of employees and other specific costs can be calculated in more detail.

A final review of proposition 13 cutbacks should include specific consideration of those line item expenditures (including office expenditures, training, conferences and meetings, etc.) which are not necessarily portrayed in the program cutbacks on the following pages. The potential for major savings in these categories is relatively small (even if such expenditures could be eliminated entirely). It is suggested that action on these types of expenditure cutbacks should be deferred until after June 6.

7. As will be noted, almost all cutbacks must come from personnel, supplies and equipment, and not from capital outlay expenditures. Unlike many governmental agencies, Claremont is spending no ongoing general fund revenue for such expenditures and thus must look elsewhere for reductions. The only exception is that approximately \$150,000 of gas funds, now allocated to street construction and contract maintenance, might be allocated to in-house street maintenance related programs (see community services department, item E-1a).
8. The attached program reductions do not include consideration of the CETA program. As the city council is aware, the city is presently dependent upon CETA personnel for the existing level of some ongoing services, although some of our CETA personnel are allocated to one-time projects. At this time the status of the CETA program, particularly regarding CETA personnel in similar classifications as permanent employees, is unclear. But it remains a possibility that if permanent employees are terminated that at least some CETA employees must also be terminated. The present CETA program totals \$324,000 per year and a good portion of this may have to be terminated.
9. A separate memorandum will be distributed in the near future which will outline possible fee and tax revenue increases for the council to consider.

Respectfully submitted,



Norman R. King
City Manager

drs

T A B L E I

CITY-WIDE SUMMARY OF PROPOSITION 13 RELATED PROGRAM REDUCTIONS

I. Total Potential Expenditure Reductions (Total of Item D in Table II)

Administrative Services	\$ 272,000	(9.6%)
Miscellaneous Services and Expenses	119,900	(4.2%)
Community Services	858,300	(30.1%)
Human Services	221,000	(7.8%)
Community Development	216,000	(7.6%)
Police	<u>1,156,500</u>	(40.7%)
City-Wide Total	\$2,843,700	(100.0%)

II. Total Potential Program/Service Reductions (Total of Item E in Table II)

Administrative Services	\$ 65,000
Miscellaneous Services and Expenses	89,000
Community Services	565,100
Human Services	195,000
Community Development	52,000
Police	<u>364,000</u>
City-Wide Total	\$1,330,100

III. Possible Increased Allocation of General Fund Expenditures to Special Funded Programs (Total of Item F in Table II)

Administrative Services	\$ 25,000
Miscellaneous Services and Expenses	0
Community Services	180,000
Human Services	26,000
Community Development	140,000
Police	<u>0</u>
City-Wide Total	\$ 371,000

IV. Total E and F (Total of Item G in Table II)

City-Wide Total	\$1,701,100
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Need \$1.2 million (less any increase in revenue)

T A B L E I I

ADMINISTRATIVE SERVICES DEPARTMENT

A. Total Budget	\$337,700 ¹
B. Revenue Generating Expenses	(35,000) ²
C. Base Costs	<u>(30,000)³</u>
D. Total Potential Expenditure Reduction	\$272,000
E. Possible Program/Service Reductions	
1. Accounting administration (cut 25%)	(\$18,000)
2. Personnel administration (cut 33%)	(19,000)
3. Budget/Management Analysis (cut 50%)	<u>(28,000)</u>
	(\$65,000)
F. Possible General Fund Allocation to Other Funds:	
1. Grants	(\$10,000)
2. Overhead to other Funds	<u>(15,000)</u>
	(\$25,000)
G. Total E and F	(\$90,000)

¹ Exclusive of one-time expenditures budgeted for 1978-79.

² Expenditures which, if reduced, would cause loss of at least equivalent amount of revenue.

³ Expenditures which appear to be impossible to reduce effective in 1978-79 (examples: insurance, utilities, etc.).

ADMINISTRATIVE SERVICES DEPARTMENT

Comments on Possible Program and Service Reductions

- E1. Accounting/Fiscal Administration - The \$1.2 million city-wide cutbacks represent approximately 23 percent of the existing city budget. Applying 25 percent cutback to the accounting operation exclusive of the personnel who are directly assigned to revenue-producing activities (such as sanitation billing) would result in a reduction of approximately \$18,000 per year.
- E2. Personnel Administration - It may be possible to reduce personnel administration by approximately the same percentage reduction as the percentage reduction of city employees. Applying 33 percent to the personnel operation would reduce costs approximately \$19,000.
- E3. Budget and Management Analysis - This function is a portion of duties performed by the city manager, deputy city manager, and 100 percent of the duties of the administrative analyst and part-time administrative intern. A reduction of 1.5 positions (the administrative analyst and intern, supplies, and clerical support) would realize a cost reduction of about \$28,000 per year and would greatly reduce the city's capacity for budget and management analysis in a number of areas.
- F1/2 Possible Increased Allocation of General Fund Expenditures to Special Funded Programs - It is estimated that administrative services provide some general overhead administrative support to various grants and special-funded programs totaling approximately \$25,000 more than is presently charged. In some cases this would mean that the amount of funds for the grant-supported programs would be somewhat reduced; in others, such as sanitation, it would require a fee increase to cover such costs.

T A B L E I I

MISCELLANEOUS SERVICES AND EXPENSES

A. Total Budget:	\$124,900 ¹
B. Revenue Generating Expenses:	0 ²
C. Base Costs:	<u>(5,000)</u> ³
D. Total Potential Expenditive Reduction:	\$119,900
E. Possible Program/Service Reductions:	
1. Eliminate Transportation (100%)	(\$29,000)
2. Eliminate Pomona Valley Mental Health Authority Payment (100%)	(14,000)
3. Chamber of Commerce (100%)	(41,000)
4. Miscellaneous	<u>(5,000)</u>
	(\$89,000)
F. Allocation to Other Funds	0
G. Total E and F	(\$89,000)

¹Exclusive of one-time expenditures budgeted for 1978-79.

²Expenditures which, if reduced, would cause loss of at least equivalent amount of revenue.

³Expenditures which appear to be impossible to reduce effective in 1978-79 (example: insurance, utilities, etc.).

MISCELLANEOUS SERVICES AND EXPENSES

Comments on Possible Program and Service Reductions

- E1-4. General Explanation - The complete itemization of miscellaneous services and expenditures are listed on page 3 (item H - general services) of the 1977-78 budget. Those expenditures listed under item E1-3 are those which seem to have the greatest potential for significant cost reductions. Item E-4 refers to a total of \$5,000 which might be reduced from cutting back among the remaining relatively small individual expenditure items.
- E1. Transportation - This includes city's contribution to the dial-a-ride program and to the grant-funded Pomona Valley Elderly and Handicapped Transportation program.
- E2. Pomona Valley Mental Health Authority - This is the city contribution to Pomona Valley Mental Health Authority and represents Claremont's share of the city-funded 10 percent of the total budget. If Tri-City were terminated, the county (with significant state financial assistance) would take over this program and any semblance of local control over program activities would be lost.
- E3. Claremont Chamber of Commerce - This represents both chamber and convention bureau funding. It does not include the \$3,500 from the redevelopment agency.

T A B L E I I

COMMUNITY SERVICES DEPARTMENT

A. Total Budget:	\$1,425,800 ¹
B. Revenue Generating Expenditures:	(442,500) ²
C. Base Costs:	<u>(125,000)³</u>
D. Total Potential Expenditure Reductions:	858,300
E. Possible Program/Service Reductions:	
1. Maintenance Division:	
a. street maintenance (cut 50%)	(\$ 9,400)
b. traffic control-cut signal maintenance 50% and markings 30%	(14,200)
c. sidewalk maintenance (cut 50%)	(4,700)
d. street lighting (100% reduction of residential lighting; 50% reduction of arterial lighting)	(73,000)
e. building and facility maintenance (cut 50%)	(25,100)
f. custodial services (cut 66%)	(30,100)
g. street sweeping (cut 50%)	<u>(25,000)</u>
	(\$181,500)
2. Park Maintenance Division	
a. facility planning & construction (50% cut)	(\$25,100)
b. parkgrounds maintenance (75% cut)	(137,300)
c. median island (75% cut)	(30,600)
d. weed abatement (66% cut)	(12,500)
e. tree maintenance (25%)	(18,000)
f. El Barrio (75% cut)	<u>(5,000)</u>
	(\$228,500)
3. Fleet maintenance	
a. maintenance (cut 50%)	(\$65,000)
b. vehicle purchases (cut 50%)	<u>(60,000)</u>
	(\$125,000)

E. Possible Program/Service Reductions - Cont'd.

4. Administration

a. administrative analyst (cut 100%)	
b. supplies (cut 50%)	
c. clerical (cut 50%)	<u>(30,100)</u>
	(\$565,100)

F. Possible Allocation of General Fund Expenditures to Other Funds:

1. Sewer & sanitation overhead	(30,000)
2. Use of gas tax funds for street maintenance	<u>(150,000)⁴</u>
	(\$180,000)

G. Total E and F (\$745,100)

¹Exclusive of one-time expenditures budgeted for 1978-79.

²Expenditures which, if reduced, would cause loss of at least equivalent amount of revenue.

³Expenditures which appear to be impossible to reduce effective in 1978-79 (examples: insurance, utilities, etc.).

⁴Maximum of \$50,000 could be used for this purpose if all cutbacks listed in Item E were implemented.

COMMUNITY SERVICES DEPARTMENT

Comments on Possible Program and Service Reductions

- E1. General Explanation on Facilities Maintenance - The reduction in the maintenance division rests primarily with the reduction of manpower. Currently, there are 11 permanent full-time positions in the maintenance and facilities division and two positions for street sweeping.

The following possible reductions (if all were implemented) would necessitate the elimination of approximately 7.5 positions. All of the programs of the division, including street lighting, building and facility maintenance, sewer maintenance, facility planning and construction, custodial maintenance, and street sweeping, will be affected as a result of the reduced manpower availability.

Where appropriate, corresponding amounts of supplies and materials have also been reduced to reflect the reduction in manpower.

- E1a. Street Maintenance - The reduction in the street maintenance account would reduce what is currently viewed as being sub-standard street maintenance by 50 percent. It would significantly reduce the department's capability of responding during critical periods such as storms and other emergencies and would significantly be reflected in the speed with which service requests could be met and dealt with.

Street patching would be performed on an emergency basis while in-house construction of items such as bicycle trails, etc., would not be practical with the reduced manpower level.

- E1b. Traffic Control - While traffic signs will be replaced as necessary, the proposed budget modifications would eliminate any program replacement of street signs and traffic marking signs.

Currently all striping is performed on a program basis. All crosswalks and school-related pavement markings are maintained each year prior to the opening of the school session. Other traffic markings, white and yellow, are maintained on a yearly basis. With the cutback in the traffic control program, it would be necessary to reduce the striping and repainting of street markings from a once a year to a once every two year basis.

- E1c. Sidewalk Maintenance - This program is currently being performed entirely by CETA employees. The reduction shown would reduce materials. If CETA employees must be terminated, this program would be eliminated.

Community Services Department

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E1d. Street Lighting - Because there is an energy curtailment facility charge of \$3.19 per lamp per month for all Edison-owned residential lighting, eliminating all street lighting lowers cost by only approximately 50 percent. The option portrayed would be to eliminate all residential street lighting and retain 50 percent arterial lighting. Eliminating all arterial street lighting would save another \$7,000. Signalized intersections would continue to be lit under any option above.

E1e. Building and Facility Maintenance - This program coupled with custodial services would require the closure of the following park buildings: Wheeler, Blaisdell, Memorial (tiny tot and senior citizens' center), Lewis, Mallows, Youth Activity Center, bowling green clubhouse, and all park restrooms.

As the result of a loss of two maintenance craftsmen, which are performing other services as well, much of the current work performed as a result of service requests could not be performed. The elimination of these two positions will necessarily require the abandonment of any programmed maintenance systems of any city buildings, including painting, roof repair, etc.

E1f. Custodial Services - The reduction in custodial services (approximately 66 percent) is consistent with the recommendation to close several buildings mentioned under E1e above. The overall maintenance level of the remaining buildings would necessarily be substantially reduced.

E1g. Street Sweeping - A 50 percent reduction in street sweeping would be reflected city wide. The current schedule would be reduced by one-half per the following:

	<u>Current</u>	<u>Proposed</u>
Village	2 times per week	1 time per week
Main streets	2 times per week	1 time per week
Residential	.5 times per week	1 time per month*

*once every two weeks during October through December

E2. General Explanation of Park Grounds and Tree Maintenance - While park grounds maintenance represents the maintenance responsibility of all parks and public grounds, it has provided needed personnel from time to time to fill in on construction projects as has been the case with the building and facility maintenance employees. The reduction of 11 employees would be necessary if all options listed were implemented.

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The effects of the reduction in this division would substantially affect the department's ability to respond to special interest groups and other agencies, i.e., school district, AYSO, Little League, etc.

- E2a. Facility Planning and Construction - This program primarily deals with the in-house construction of parks and other capital projects related to city facilities.

A reduction in the overall operating budget of the community services department will necessitate a freeze on all capital improvements which depend on in-house labor. The overall affect is that capital projects which are desirable (and do not cause additional maintenance expenditures) will necessarily need to be performed under contract at a somewhat higher cost than is currently required using city forces.

- E2b. Park Grounds Maintenance - A reduction in this program will affect Claremont citizens visually more so than most other program cutbacks. Not only is the parks division presently dependent upon some CETA assistance for regular maintenance, we have added approximately 4 acres in open space maintenance districts during this fiscal year. As stated elsewhere, if proposition 13 is passed, it would seem impossible for the city to maintain new facilities presently being discussed, including Jaeger Park, Vail Park, and LaPuerta Park. In light of this the council has already placed a freeze on certain park-related capital expenditures.

A reduction in park grounds maintenance will necessarily require the freezing of all those landscape projects currently not complete and will eliminate the following maintenance functions of the division: fertilization of lawns, overseeding; ball field preparation; the grounds maintenance support of other agencies; reduce the current level of support for El Barrio Park; and would severely affect the overall program maintenance system to more of a reactive approach to grounds maintenance. For instance, the weekly mowing schedule would, at best, become a bi-weekly schedule, and tennis courts would not be cleaned on a scheduled basis. Watering would be substantially reduced.

- E2c. Median Island Maintenance - This program represents the program maintenance of all median islands, backup walls, and in-tract islands within the city. As reflected in the statements under grounds maintenance, a 75 percent cutback would eliminate many maintenance functions which are considered good horticulture practices, including fertilization, overseeding, much of the weed activity, and the current response to service requests.

Community Services Department

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E2d. Weed Abatement - This program includes all weed abatement activity of city-owned parkways, roadsides, parks, median islands, and park sites. With the increased annexed areas (primarily in the northeast section of the city) and the increased parkland areas, either realized this year or projected next year, a reduction (66 percent) would significantly affect the aesthetics of the city. Upon reduction, weed abatement would be reduced from a programmed approach to a sporadic hit and miss attempt to eliminate the most hazardous situations.

E2e. Tree Maintenance - The city has approximately 18,000 street trees. This is an increase of approximately 1,000 trees over the last two years. In addition, several thousand park trees are maintained under the tree maintenance program.

The reduction in the tree maintenance division of 25 percent will necessitate the elimination of all service requests with the exception of those which are extreme public hazards or emergencies. Such a reduction would also necessitate the abandonment of any attempt for early care of young trees.

E2f. El Barrio Park - As a result of the reduction in all other park maintenance programs, it is suggested that the city's participation in the El Barrio Park Authority Board be reduced in the same proportion. All grounds maintenance activities at El Barrio Park would be reduced by one-half which would be reflected in the frequency of mowing, frequency of trash pickup, weeding, etc.

E3. General Explanation of Service Division (Fleet Maintenance) - While most expenses from this program are allocated to the various user departments, a reduction in the overall service level will necessarily reflect in the motor fleet division. A significant improvement has been realized with the recent hiring of the service center superintendent to oversee not only the fleet maintenance system but also the beginning of a centralized warehousing system.

A cutback in the motor fleet division will necessitate the elimination of the service center superintendent which will ultimately affect the overall management control and efficiencies currently being built into the division.

E3a. Vehicle Purchases (Reduced 50 Percent) - The equipment replacement program could be reduced by approximately the same percent as our services are reduced. A 50 percent reduction from the current level of \$120,000 per year (which excludes sanitation division equipment) would save approximately \$60,000.

Community Services Department

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- E4. Administration - For purpose of this analysis only the costs of direct supervision have been allocated to the community service programs. Item E2 portrays one administrative analyst, one clerk typist, and related supplies. These reductions would: (1) reduce capacity to respond to citizen complaints, (2) eliminate the work being done to establish labor standards for all programs, (3) eliminate grant application administration, and (4) reduce back up to the department head.

The present community services administration consists of:

Director of community services	1
Administrative analyst	1
Secretary clerk	1
Clerk typist*	<u>1.5</u>
	4.5

*Much of work load for sanitation division

- F1. Sewer and Sanitation Overhead - It is felt that additional expenses could be charged to sewer and sanitation programs. This would require an increase in fees to cover an increased allocation of overhead costs.
- F2. Use of Gas Tax Funds for Street Maintenance - Presently, the city is using approximately \$100,000 of the annual approximately \$250,000 for street maintenance purposes. The remaining approximately \$150,000 is being used for contract maintenance (slurry seal and various construction and reconstruction projects). Council may consider increasing the allocation of gas tax funds for street maintenance purposes. If all of the reductions listed in Item E were implemented, the maximum amount that could be transferred for such purposes would be \$50,000. However, if all these cutbacks were not made, up to an additional \$100,000 (beyond the \$50,000) could be allocated from the gas tax fund to cover street maintenance purposes. Thus, the council could allocate between \$50,000 to \$150,000 of gas tax funds for covering the cost of street maintenance activities.

T A B L E

HUMAN SERVICE

A. Total Budget:	1,000,000
B. Revenue Generating Expenditures	1,000,000
C. Base Costs:	
D. Total Potential Expenditure Reduction	
E. Possible Program/Service	
1. Human Need Program	
2. Sports Programs (100%)	
3. Summer Programs (100%)	
4. Senior Programs (100%)	
5. Day Care (100%)	
6. Human Resources Analysis	
7. Basic Administrative Support	
F. Possible Increased Allocation of General Expenditures to Special Funded Programs	
1. Increased Recreational Time (Instructional programs)	
G. Total E and F	
H. Revenue	
1. Exclusion of one-time expenditures	
2. Expenditures equivalent amount	
3. Expense in	

HUMAN SERVICES DEPARTMENT

Comments on Possible Program and Service Reductions

- E1-7. General Explanation - Most administrative costs for the department have been allocated to specific programs 1 - 5 (exceptions are noted in items 6 and 7).
- E1. Human Needs Programs - These programs include youth power, career counselling, job development juvenile diversion, teenage alcoholics anonymous, family counselling, summer lunch program, and summer youth employment.
- E2. Sports Programs - These programs include the supervision of all sports activities, including mens' softball, womens' softball, girls' softball, open volleyball leagues, boys' and girls' flag football, boys' and girls' basketball.
- E3. Summer Programs - These programs include summer camp, summer gymnastics camp, wading pools, El Roble swimming pool, Wheeler Park playground, El Barrio Park playground, Lewis Park summer day camp, Blaisdell Park summer day camp, Oakmont summer day camp, Mountain View summer day camp, concerts in the park and beach trips. Fees of \$10.50 per week are presently charged for day camp and would have to be increased to approximately \$30 per week to cover cost of supervision and administration. It is unknown if such fee would cause a decline in enrollment.
- E4. Seniors' Program - These programs include seniors' recreation club, seniors' trips and tours, nutrition program, seniors' information and referral program, and senior citizens' fairs.
- E5. Day Care - This program includes day care programs at Vista, Wheeler, Oakmont, Blaisdell, and day care referral service. Presently the fee for one child is \$12 per week. To cover all administrative costs the fee would have to be increased to approximately \$30 per week. It is unknown if such fee would cause significant decline in enrollment.
- E6. Human Resources Analyst/Coordinator - This position provides administrative support to the department and provides general coordinative responsibilities in regard to social and human resource issues in the community. This position is presently unfilled.
- E7. Basic Administrative Supports - Although not sufficient to fund a full-time person, this is the estimated basic level of administrative and clerical support that would be necessary to provide general supervision to trust fund programs (presuming they are still in existence), staffing of the parks and recreation commission, staffing of the human resources commission, and general coordinative duties.

- F1. Increase Recreation Fund Transfer - This would require an increase of approximately 15 percent surcharge on all fee-sponsored instructional programs and would assume that the participation in the programs would not decline substantially. This also assumes that the basic facilities (maintained by the community services department) would be available.

There would be no staff assigned or city funds for special community events, such as July 4th, Halloween, or Easter. It is presumed that if these events would be continued, they would be entirely self-financed and administered by volunteer citizens.

TABLE II

COMMUNITY DEVELOPMENT DEPARTMENT

A. Total Budget:	\$305,600 ¹
B. Revenue Generating Expenditures:	
Building Inspection/Plan Check Contract	(78,000) ²
C. Base Costs:	<u>(11,600)</u> ³
D. Total Potential Expenditure Reductions:	\$216,000
E. Possible Program/Service Reductions:	
1. Code Enforcement and Weed Abatement (100%)	(\$13,000)
2. Advanced and Redevelopment Planning (100%)	(31,000)
3. Traffic Safety Commission and Studies (100%)	(2,000)
4. Architectural Commission (100%)	(4,000)
5. Housing Assistance (100%)	<u>(2,000)</u>
	(\$52,000)
F. Possible Increased Allocation of General Fund Expenditures to Special Funded Programs:	
1. Allocation of Higher than Normal Building and Inspection Fees	(\$100,000)
2. Gas Tax, FAU Funds Administration Costs	(25,000)
3. HCD Block Grant	<u>(15,000)</u>
	(\$140,000)
G. Total E and F	(\$192,000)

¹Exclusive of one-time expenditures budgeted for 1978-79.

²Expenditures which, if reduced, would cause loss of at least equivalent amount of revenue.

³Expenditures which appear to be impossible to reduce effectively in 1978-79 (example: insurance, utility, etc.).

COMMUNITY DEVELOPMENT DEPARTMENT

Comments on Possible Program and Service Reductions

E1-5. These items are fairly explicit and represent our best estimate of the cost of these various functions.

F1. Allocation of higher than normal building and inspection fees. In 1977-78 \$105,000 was budgeted for building inspection fee revenues. It was recognized that this figure probably was on the low side because of the present high level of building activity. However, it was felt that in the long run it is unlikely that our yearly receipts for building inspection will exceed \$100,000 and, therefore, it was appropriate to budget conservatively.

If proposition 13 is adopted, the council may wish to consider a "one-time" alternative which would allocate building inspection fees received in excess of the "normal" amount (approximately \$100,000) in order to fund the community development department at a level which is required for the proper processing of development activities. It is anticipated that in 1978-79 over \$200,000 in building inspection fees will be received. If so allocated, it would appear that on a one-year basis that an additional \$100,000 could be used to support the community development department, recognizing that in the long run either major cutbacks would have to be made or substantial increases in building inspection fees would have to be implemented.

F2. Gas Tax and FAU Fund Administration Costs - Presently the city has not been allocating a portion of community development personnel costs to the administration of projects funded from the gas tax or FAU. If such a policy were adopted (to allocate administrative costs to these projects), it is anticipated that approximately \$25,000 could be transferred to the general fund. However, it should be noted that if the level of street construction activity is substantially reduced (by transferring gas tax funds which had previously gone to contract street construction and maintenance to support in-house street-related maintenance services) that this would not be a feasible alternative.

F3. HCD Block Grant - We believe that (assuming the county would approve such allocation) the community development department is spending approximately \$15,000 per year in various aspects of administering the housing and community development block grant.

TABLE II

POLICE DEPARTMENT

A. Total Budget:	\$1,190,000 ¹
B. Revenue Generating Expenditures:	0 ²
C. Base Costs:	<u>(33,500)</u> ³
D. Total Potential Expenditure Reduction:	\$1,156,500
E. Possible Program/Service Reductions:	
1. Eliminate emergency services (100%)	(\$6,000)
2. Eliminate police aides (2 @ ½ time)	(11,000)
3. Eliminate crossing guard program (100%)	(7,000)
4. Reduce communication services (50%)	(65,000)
5. Eliminate clerical support to detective bureau (100%)	(10,000)
6. Reduce level of patrol from 4 to 3 beats	(120,000)
7. Reduce level of patrol from 3 to 2 beats	(120,000)
8. Reduce investigative staff (25%)	<u>(25,000)</u>
	(\$364,000)
F. Possible Increased Allocation of General Fund Expenditures to Special Funded Programs:	0
G. Total E and F	(\$364,000)
H. Revenue Lost Through Program Cuts:	
Traffic Fine Revenue	(\$30,000)

¹Exclusive of one-time expenditures budgeted for 1978-79.

²Expenditures which, if reduced, would cause loss of at least equivalent amount of revenue.

³Expenditures which appear to be impossible to reduce effectively in 1978-79 (examples: insurance, utilities, etc.).

POLICE DEPARTMENT

Comments on Possible Program and Service Reductions

- E1-8. General Explanation - Unlike many city services (such as, street sweeping, a recreation activity or other specific service) police services are in great part dependent upon daily demand and it is difficult to specify in advance which services would not be available if expenditures were reduced. To the best of our ability, we have attempted to define the effect of representative cutbacks which might be considered.

For council's assistance in reviewing these possible reductions, a summary of existing authorized police personnel is as follows:

Sworn Personnel:

Chief	1
Lieutenants	2
Sergeants	5
Police Agents	8
Police Officers	<u>15</u>
Sub-Total:	31

Non-Sworn Personnel:

Secretary	1
Clerk typist	1
Police Service Aide (2 one-half time)	1
PBX Operator (CETA funded)	1
1/2 Parking Enforcement Officer (Redevelopment Agency Funded)	$\frac{1}{2}$
Communications Supervisor	1
Communications Officers	<u>8</u>
Sub-Total	$13\frac{1}{2}$
Total Summary	$44\frac{1}{2}$

- E1. Reduction of one part-time position and related expenditures.
- E2. Self-explanatory.
- E3. Self-explanatory.
- E4. 50% reduction would equal 4.5 personnel. A reduction of this magnitude would be unrealistic if it is desired to continue to handle walk-in traffic to the police station during most hours. Presently during the day shift (7:00 a.m. - 3:00 p.m.) and the swing shift (3:00 p.m. - 11:00 p.m.) a minimum of 2 communication officers are required for the division to function because coverage requires one officer assigned to dispatch and the other assigned to desk duties and one person cannot handle both stations simultaneously. Though undesirable, during the night shift, one officer rather than 2 could be assigned.

- E5. Eliminate clerical support to detective bureau. Reduce one steno-clerk position. Such a change would decrease the ability to process case load assigned to detective bureau.
- E6. Reduce level of patrol from 4 to 3 beats. This would reduce officer strength by 5 personnel. Prior to approximately 15 months ago, the city was working primarily on a 3 patrol beat system. However, with the new growth and the Piedmont annexation, a 4 beat system has been implemented. Presently, the department is operating at approximately 50% available patrol time (i.e., the amount of time that is devoted to patrol vs. a specific call or report). Cutting back to three shifts would obviously decrease the amount of patrol time and cause increased "stack-up" at peak periods. It is anticipated that a three beat system would necessitate establishing a priority system (call answering list) which would have to be adhered to at least at certain times. Such priority list could be:
1. Crime against person in progress
 2. Injury/accident
 - a) traffic
 - b) industrial
 - c) other injury
 3. Crime against person, suspect known
 4. Crime against property, suspect known

Much of the time all other crime related calls would have to be handled by either an officer supplying a blank form to the victim or the victim obtaining the form from the front counter. Either way, the victim would make out the report and return it to the police station in person or by mail.

Traffic reports would only be taken in those instances where someone is injured to the extent that they would go to the hospital. All other traffic accident reports would be made out by the respective drivers.

Another very rough way of looking at the potential effects of a four beat vs. three beat system is in context of total number of police personnel. One and a half years ago the city had 37½ persons in the department. The department presently has 44½. Eliminating five officers and possibly one or two other positions would decrease strength back to mid-1976 levels recognizing that in the meantime the city has grown by approximately 15% and it will continue to grow in the near future.

- E7. Reduced level of patrol from 3 to 2 beats. This would reduce officer strength by 5 personnel. As noted above, the city presently has a four beat system. A two beat system would cut the number assigned patrol personnel by one-half and in doing so would obviously exacerbate the difficulties described above in regard to changing from a four beat to a three beat system. In fact, there would be little or no "patrol" in that the officer time would be almost totally allocated to specific calls for service. It would be anticipated that the priority

list (see above) would be in operation virtually from 75% to 100% of the time and in addition there are several services that would have to be curtailed or terminated including (1) vacation house checks; (2) commercial security checks; (3) overnight parking control; (4) school safety patrol; (5) crime and rape prevention programs; (6) crossing guards; (7) school safety program. It would further be anticipated that traffic enforcement would have to assume a lower status on the priority list. Officers would write citations for hazardous driving they encounter but no one would be assigned traffic enforcement as we do now (unless a specific budget allocation for traffic control was made which might be a possibility considering the revenue reduction to be suffered if traffic enforcement is reduced.)

A further problem is that a major injury or accident during peak traffic hours can tie up as many as four officers for investigation, traffic control, first aid, etc. for several hours. With our present level of call for service, we are averaging 18 calls per shift. With a two beat system these 9 calls per man would take approximately 5 hours of the officers time in investigation and report writing. A traffic accident would cause a backlog of calls since the hazard of the accident would take priority. The rest would also become a problem with two beat system to the extent that it take a minimum of two officers for safety sake to effect one arrest. The booking process and any special circumstances can consume several hours. A felony in progress where a search of the area for suspects not only necessitates use of manpower, but can go on for several hours. The arrest of a drunk driver, although only a misdemeanor, consumes a minimum of two hours since he must have a chemical test. The two officers are needed for prosecution purposes to witness all phases of testing. It would also be anticipated that outside training programs although funded by POST would have to be discontinued because we would not have the manpower to cover an absence.

- E8. Reduce investigative staff by 25%. Loss of one position would reduce processing ability for detective caseload.

TABLE I I I

SUMMARY OF POTENTIAL POSITION REDUCTIONS

The following chart is an approximate estimate of the number of positions by department that would be affected if all possible cutbacks listed in "Item E - Possible Program and Service Level Reductions" were implemented. There are presently approximately 105 full-time permanent employees, excluding all grant-funded programs and the sanitation division. CETA employees are excluded from the following summary, although it is quite probable that at least some CETA employees would also have to be terminated. As noted elsewhere, certain general fund cutbacks would lead to further terminations of some grant-funded programs, thus affecting other employees not shown on this summary.

Note that the figure of 52.5 employees represents a total reduction if all cutbacks itemized in Item E of the various attachments were implemented. As the total of Item E and F are greater than the \$1.2 million target figure, it is unlikely that all such cutbacks would be made. If the actual program reductions finally adopted by the council contain the same "mix" of employees versus supplies and other expenditure items as those defined in this memorandum, it would be anticipated that from approximately 35 to 50 permanent full-time employees would be terminated in order to reach the \$1.2 million target figure.

<u>Department</u>	<u>No. of Reduced Positions</u>
Administrative Services	3.5
Miscellaneous Services/Expenditures	NA
Community Services	22.0
Human Services	7.0
Community Development	2.5
Police	<u>17.5</u>
Total	52.5

TABLE IV

EXPENDITURES NOT AFFECTED BY PROPOSITION 13

Total Integrated Budget	\$5,940,000
Total Budget Affected by Proposition 13	<u>3,612,000</u> ^{1, 2}
Total Not Affected by Proposition 13	\$2,328,000

NON-AFFECTED EXPENDITURES BROKEN DOWN

One-Time and 1976-77 Carryover Projects	\$ 820,000
Gas Tax	379,000 ³
Senior Citizens	17,000 ³
Sewer Maintenance	35,000
Park Dedication	154,000 ³
Summer Lunch	30,000 ³
Community Development Block Grant	200,000 ³
Federal Aid to Urban Streets	270,000
State Park Bond Funds	99,000 ³
CETA	<u>324,000</u> ³
Total	\$2,328,000

¹Total Budget Affected by Proposition 13

General Fund	\$3,244,000
Federal Revenue Sharing	179,000
Gas Tax	100,000
Traffic Safety	67,500
Antirecessionary funds	14,700
Miscellaneous	<u>6,800</u>
Total	\$3,612,000

²Total Potential Expenditure Reduction

Total affected by proposition 13	\$3,612,000
Base Costs	(212,800)
Revenue Generators	<u>(555,500)</u>
Total	\$2,843,700

³Although impact not shown, these funds might also be terminated or reduced if proposition 13 passes because of elimination or reduction of matching funds, increase of allocated overhead and federal regulations.

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